

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3649-01
Bill No.: HB 1710
Subject: Cities, Towns and Villages: Education, Elementary and Secondary; Teachers
Type: Original
Date: February 27, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$354,450)	(\$730,167)	(\$1,128,108)
Total Estimated Net Effect on <u>All</u> State Funds*	(\$354,450)	(\$730,167)	(\$1,128,108)

***Subject to appropriation**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts	(\$118,150)	(\$243,389)	(\$376,036)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Coordinating Board for Higher Education (CBH)** indicated this proposed legislation would have no impact on CBH, but there is potential state impact as this program is administered by the Department of Elementary and Secondary Education.

The **Department of Elementary and Secondary Education (DESE)** made the following fiscal assumptions regarding the proposed program:

				<u>Allocation</u>	
				State	Local
				<u>75%</u>	<u>25%</u>
	<u># of Scholarships</u>	x <u>Tuition</u>	= <u>Total</u>		
FY 03	100	\$4,726	\$ 472,600	\$ 354,450	\$ 118,150
FY 04	200	\$4,868	\$ 973,556	\$ 730,167	\$ 243,389
FY 05	300	\$5,014	\$1,504,144	\$1,128,108	\$ 276,036

Program costs will grow significantly until year four when the costs should begin to level out. These calculations assume all 100 scholarships are appropriated each year and that each scholar continues through the program until the fourth year, meeting all requirements for eligibility. DESE chose the University of Missouri - Columbia to represent an average of tuition and fees for Missouri's four-year colleges and universities; it should be noted that costs can exceed or be somewhat below this level. DESE further assumed a 3% increase in tuition and fees in subsequent years.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education and the Coordinating Board for Higher Education could require as many as 46 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$2,829 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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GENERAL REVENUE

Cost - Department of Elementary and
 Secondary Education (DESE)

Scholarship Funds (75%)*	<u>(\$354,450)</u>	<u>(\$730,167)</u>	<u>(\$1,128,108)</u>
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*** Subject to appropriation**

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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SCHOOL DISTRICTS

<u>Cost</u> - Scholarship costs (25%)	<u>(\$118,150)</u>	<u>(\$243,389)</u>	<u>(\$376,036)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposed legislation creates the Urban Flight Scholarship Program for students who commit to teach in a metropolitan or urban school district with a high at-risk student population, as defined by rule. Subject to appropriation, the Department of Elementary and Secondary Education will administer up to 100 four-year scholarships for eligible students from metropolitan or urban districts or for students who have completed a bachelor's degree and commit to teach in an urban or metropolitan school for two years for every one year of the scholarship. If the commitment is not fulfilled, the scholarship is treated as a loan. Seventy-five percent of the scholarship will be funded by the department; 25% will be funded by local school districts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Coordinating Board for Higher Education
Office of Secretary of State
Administrative Rules Division

NOT RESPONDING

Kansas City Missouri School District
St Louis Public Schools

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
February 27, 2002